



GRAIN & LIVESTOCK REPORT

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Market Analysis - February 16, 2005Michael Haigh-Assistant ProfessorUniversity of MD Cooperative Extension

Last week the bearish USDA figures confirmed the large supply side picture for corn but many believe that this market is due for a short cover rally. The funds keep adding to their short positions and so the market has to have a bounce once they cover their positions. On Monday a lackluster weekly export report was offset by some spillover support from beans and wheat but on Tuesday the corn traders succumbed to the pressure and corn fell again (although it was a rather subdued day). On Wednesday corn closed near the daily low and any reliance on the bean market to support it had been given up. It didn’t help that the Argentine government raised its production estimate to 19 million metric tons (way above the USDA estimate). Beans had a great week last week rising about a quarter and technical buying on Friday gave optimism over the weekend. On Monday it was starting to feel like the good old days of mid 2004 whereby beans finished up again for the sixth consecutive session. The March contract rose to \$5.34. The next resistance level is \$5.50 and that is what we should all be hoping for. Prices bounced up and down all day on Tuesday but ended up finishing lower probably because the traders thought that the market was overbought and some took their profits. On Wednesday improved weather forecasts in South America meant prices would end lower again (but not much). Basis bids also gave back some of the gains. However, don’t be too despondent, the fact that soybean prices have held onto last weeks gains is very encouraging. Also, Canadian feeder cattle this spring will raise feed use and support bean prices. Wheat was up a nickel at all three exchanges last week and finished higher again on Monday as speculative short covering helped things along. On Tuesday wheat was down with spread trading being the cause and news that Iraq stepped up to the plate to buy 100,000 metric tons made absolutely no impact. Weakening basis hurt the nearby wheat contract on Wednesday and this it is believed to be driven by a lack of export activity. Some analysts believe that producers should cover about 50% of the crop with hedges and leave the rest exposed.

BASIS TABLE

LOCATION	CORN BASIS		SOYBEAN BASIS		WHEAT BASIS	
	CASH (Mar05)	NEW(Dec05)	CASH (Mar05)	NEW(Nov05)	CASH(Mar05)	NEW(Jul05)
Western MD	+23	n/a	-46	n/a	-7	n/a
Central MD	+25	+5	-30	-42	-46	-6
Southern MD	+13	-8	-20	-29	-24	-23
Upper E. Sh	+26	+5	-7	-24	N/A	-19
Lower E. Sh	+31	+14	+3	-15	-10	-20

WEEKLY CROP WEATHER SUMMARYMARYLAND AGRICULTURAL STATISTICS SERVICE

THE CROP WEATHER WILL RESUME IN APRIL 2005

CASH GRAINS - REGIONAL - (\$/bu) DEALERS AVERAGE CASH QUOTES

Grade and Commodity	#2 Y Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
	2/08	2/15	2/08	2/15	2/08	2/15	2/08	2/15
Western Md	2.20	2.20	4.71	4.89	2.95	3.00	1.83	1.83
Central MD	2.14	2.22	4.79	5.05	3.22	3.39	2.20	2.25
Southern MD	2.05	2.10	4.84	5.15	2.62	2.69	----	----
Upper E. Shore	2.18	2.23	4.97	5.28	----	----	----	----
Lower E. Shore	2.23	2.28	5.09	5.38	2.79	2.83	1.85	1.69

Soybean MealLower Eastern ShoreDealer’s Average Cash quotes (\$/ton)

Date	2/08	2/15	Date	2/08	2/15
48% Soybean Meal	190.50	198.00	44% Soybean Meal	178.50	186.00

FORWARD CONTRACT PRICE-REGIONAL (\$/BU) for Harvest delivery Dealer’s Avg Quotes

Grade and Commodity	#2 Y Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
	2/08	2/15	2/08	2/15	2/08	2/15	2/08	2/15
Western Md	----	----	----	----	----	----	----	----
Central MD	2.30	2.34	4.83	5.05	2.93	3.01	----	----
Southern MD	2.17	2.21	4.87	5.18	2.75	2.84	1.60	1.65
Upper E Shore	2.30	2.34	4.97	5.23	2.79	2.88	1.60	1.55
Lower E Shore	2.39	2.43	5.06	5.32	2.80	2.87	1.61	1.58

GRAIN FUTURES- Chicago Board of Trade (\$/bu) Settle - Feb 15, 2005

Corn		Soybeans		Wheat		Soybean Meal <sup>1</sup>	
05Mar	200.00	05Mar	535.20	05Mar	299.20	05Mar	163.10
05May	207.40	05May	535.40	05May	306.60	05May	162.80
05Jul	214.40	05Jul	538.00	05Jul	313.40	05Jul	164.30
05Sep	221.60	05Aug	539.00	05Sep	319.00	05Aug	165.50
05Dec	231.00	05Sep	539.40	05Dec	327.40	05Sep	166.20
06 Mar	238.00	05Nov	547.60	06 Mar	333.40	05Oct	166.50

<sup>1</sup> \$/ton

HAY AND STRAW															
New Holland, PA - \$/ton - Feb 15, 2005 - 86 Loads															
Alfalfa		Mixed Hay		Timothy		Orchardgrass		Ballage		Straw					
60.00-152.00		25.00-220.00		67.00-140.00		45.00-160.000		15.00-90.00		125.00-157.00					
Westminster, MD - \$/bale - Feb 15, 2005 - 125 Lots															
Alfalfa		Alfalfa Mix		Timothy		Timothy Mix		Grass Mix		Straw		Mulch			
2.80-5.10		1.50-5.10		1.25-3.60		1.20-3.10		1.30-3.50		2.50-3.10		.25-1.30			
Southern, MD - Regional Farmers' Market - \$/bale -															
Product		Lo/Hi		Avg Price		Product		Lo/Hi		Avg Price					
Next Sales is Feb 19, 2005															
POULTRY (Grade A) - Week Ending - Feb 19, 2005															
				Current Week		Week Ago		Month Ago		Year Ago					
NY Wtd Avg. (Fryers)				69.79		69.68		71.08		76.67					
12 City Composite				71.37		71.37		72.01		75.41					
LAMBS - Westminster, MD - \$/cwt - Feb 15, 2005															
Lambs		40- 50 lbs		125.00-132.50		20 lbs & up		85.00-110.00		Sheep					
		60-100 lbs		115.00-142.50						All weights		46.00-68.00			
TERMINAL MARKETS HOGS - Feb 17, 2005						DIRECT MARKET HOGS - Westminster, MD - Feb 15, 2004									
Base Price Range (\$/cwt)		Carcass Basis		Sows (1-3)		Butcher Hogs									
a.m.		Base 185 lb Hog		300-449 lbs											
Iowa, Minn		58.50-68.26		35.00-48.73		Light		180-220 lbs		48.00-53.00					
Eastern Cornbelt		57.75-66.22		35.00-51.16		Sows (thin)				29.50-40.00					
						Millsboro, DE Market Hogs - (\$/cwt) - Feb 16, 2005						\$ 43.00			
FEEDER PIGS - (\$/cwt) -															
Gumboro, DE -Feb 15, 2005						New Holland, PA - Feb 15, 2005									
Head: 201		Trend: none				Head:		Trend:							
Under 30 lbs		50.00-145.00		50- 59 lbs		59.00- 61.00		All went to slaughter							
30-39 lbs		100.00-165.00		70- 79 lbs		66.00- 70.00									
40-49 lbs		75.00-145.00													
CATTLE-LIVE FUTURES-Chicago Mercantile Exchange (\$/cwt) - Feb 15, 2005						HOGS-LEAN FUTURES-Chicago Mercantile Exchange (\$/cwt) - Feb 15, 2005									
Feb05		90.20		Jun05		82.53		Apr05		73.00		Jul05		74.13	
Mar05		90.80		Aug05		80.13		May05		74.50		Aug05		70.48	
Apr05		87.03		Oct05		81.90		Jun05		77.35		Oct05		62.55	
STOCKER-FEEDER CATTLE - (\$/cwt)															
Winchester, VA - Feb 14, 2005						Westminster, MD - Feb 15, 2005									
Steers		300-400 lbs		132.00-133.00		Steers (M&L)		200- 300 lbs		110.00-145.00					
		400-500 lbs		124.50-128.50				400- 500 lbs		99.00-125.00					
		500-600 lbs		105.50-121.00				600- 700 lbs		78.00-104.00					
		600-700 lbs		99.50-103.00				800-1250 lbs		72.00- 85.00					
Heifers		300-400 lbs		114.00-122.00		Heifers (M&L)		200- 300 lbs		95.00-137.50					
		400-500 lbs		108.00-116.00				400- 500 lbs		86.00-108.00					
		500-600 lbs		98.25-103.50				600- 900 lbs		71.50- 75.00					
		600-700 lbs		88.00- 89.50		Returned to farm									
						Hols Bull Calves #1				102.50-177.50					
								95- 110 lbs		165.00-177.50					
						Holstein Heifers #1		380.00-440.00							
Lancaster, New Holland & Vintage - Week Ending - Feb 19, 2005															
Bull, Holstein		90-120 lbs		172.00-196.00		Plainer		90-120 lbs		145.00-170.00					
Heifers, Hols		90-120 lbs		375.00-560.00		Plainer		90-120 lbs		300.00-525.00					
SLAUGHTER CATTLE (\$/cwt)															
Westminster, MD - Feb 15, 2005															
Fed Steers					Fed Heifers										
Ch		87.75-92.00			Ch		84.50-86.50								
LCh		80.00-87.00			Calves										
Standard		72.00-80.00			Beef Cross		75.00-140.00								
Hols 1700 lbs		68.00-72.50			Culls		28.00-100.00								
Cows					Jerseys		5.00- 50.00								
Utility		48.00-52.00													
High Dressing		52.00-57.25													
Canners		40.00-48.00													
Shelly & Slow		39.00-Down													
Lancaster, New Holland & Vintage - Week Ending - Feb 19, 2005															
Steers, Choice 2-3		1170-1495 lbs		85.00-89.00		\$1- \$2 lower									
Heifers, Choice		1000-1335 lbs		84.00-87.75		\$2 lower									
Cows, Breakers 75-80 pct lean				52.75-56.25		Steady - \$2 lower									
Bulls, YG 1		1095-2280 lbs		62.00-71.50		Steady - \$1 lower									

For more information about this report, call 410-841-5740 or write:

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